

Fairland Management Company

YOUR FARM REAL ESTATE PROFESSIONALS

CROP & WEATHER REPORT **June 15, 2018**

GENERAL WEATHER FOR THIS AREA: Happy first day of summer! This report is being released one week later than normal due to the Quarterly Crop and Weather Report publication last week that was sent out to our clients about their farming operations.

The weather across Southwestern Minnesota (SWMN) can most accurately be defined as wet. We received about 3 to 7+ inches of rainfall across the area from Mid-May to Mid-June. Unfortunately, most of the area received another 6-8+ inches of rain in the past week, most of it coming in the past 24-hours. Frequent rain events have made it difficult to complete field operations. Since Memorial Day, we have observed rainfall in 15 out of the past 24 days. This has been a very challenging spring for our tenants. They have had to plant, spray, side-dress nitrogen, replant, pick rock, and try to cut & bale hay around the frequent rain showers and ensuing wet areas. You did not have to look very hard to find a piece of equipment that was stuck this spring or mud on the road. Now there are some significant areas of standing water where the crop will drown out.

Topsoil moisture levels are rated at 93% adequate to surplus in Minnesota. Available subsurface soil water, which is defined as water that is held to soil particles and is available for use by the crop, is at 7.39 inches as of June 15th. The historic average for this date is 6.75 inches (Southwest Research and Outreach Center (SWROC) in Lamberton, MN).

From May 15th- June 15th, we have seen daytime high temperatures range from 62 to 100 degrees with overnight low temperatures from 46 to 69 degrees (SWROC-Lamberton). We are currently at 833 Growing Degree Day (GDD) units, which is 182 units above the historical average at this point in the growing season. Despite the late spring, we are actually ahead on GDD compared to last year at this point, which was a much earlier spring.

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Figure 1 – This is a picture of a Terra-Gator fertilizer spreader that went down due to wet conditions this spring and had to be dug out.

SOYBEANS: Most soybean planting in SWMN was completed by mid-June, although there are still a few fields that still need to be planted. This is somewhat behind a “normal” year, but the above average amount of heat units we have received have the soybeans developing rapidly. The USDA has indicated that 97% of soybeans nationally have been planted as of June 17th. The weekly USDA reported showed that 73% of the soybean in the U.S. are rated good to excellent, which is up from 67% at this time last year.

Most fields had a pre-emergent herbicide applied to keep weed growth in check. They will receive a second application of herbicide over the next couple of weeks. In 2017, soybeans resistant to the chemical dicamba were introduced to growers as an effective way to control waterhemp. There were concerns that dicamba would drift and damage non-resistant varieties. These concerns were valid and there were many cases of damaged beans. The State of Minnesota required changes to the label directions to counter these types of problems. Wind speed, air temperature, and spray date restrictions were all tightened up. More growers were intending to plant dicamba beans this year and they did. Producers are permitted to spray dicamba until June 20th. Ironically, with the later planting dates this spring, the wind, heat, and moisture conditions, these have all closed the window of opportunity to use dicamba products this spring before the deadline. Therefore, growers will now have to change chemistries to combat weeds with more standard herbicides again this year.

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Figure 2 – This picture is of a field of soybeans after a couple of inches of rain on June 9th northeast of Jeffers. This is after the area had received 3 inches of rain about 36 hours earlier as well.

CORN: Nationally, the corn crop is rated as 78% good to excellent, which is greater than the rating of 67% last year, but is less than the corn rating in Minnesota, which is rated at 88% good to excellent. With rainfall amounts being sporadic across the area, there were a few fields in SWMN that were not planted to corn and either took the Preventive Planting settlement through crop insurance or switched the acres to soybeans. Some of the corn that were planted in the lower areas have been lost to ponding water, depending on the location. Some of these spots were replanted, but many remained too wet to reseed. Fortunately, the corn that was not impacted by ponding water looks very good. If we maintain a warm summer, the potential remains for decent yields.

Over the past month, the corn was treated a second time with herbicide. Some of our tenants have been busy side dressing nitrogen in the corn. Picking rocks and spraying fence lines has also been completed during the past 30 days.

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Figure 3 – This is the results of 6-8+ inches of rain since June 16th. As you can see, the corn that is not under water is looking good. Unfortunately, there will be some significant drown out areas in 2018.

REMARKS: The USDA Monthly Supply & Demand Report was released on Tuesday, June 12th. The report forecasted that U.S. farmers will produce 14.04 billion bushels of corn in 2018. This is based upon 88 million acres of corn at 174.0 bushels per acre. This report was unchanged from the May report. The U.S. soybean production forecast is at 4.28 billion bushels (48.5 bushels per acre on 89.0 million acres of soybeans). Like corn, the report was unchanged from May.

USDA initial ending stocks for corn for 2018-19 at 1.58 billion bushels, down from the previous year (2017-2018) of 2.11 billion bushels. The initial soybean ending stocks for 2018-19 are projected to be 385 million bushels, down from last year's estimate of 505 million bushels and down from last month's estimate of 415 million bushels. Demand estimates for both corn and soybeans were increased slightly from the May report.

Since Memorial Day weekend, we have seen a lot of negative pressure on the soybean and corn markets. Soybean prices have decreased about \$1.50 per bushel and corn prices about 40 cents per bushel. Some of this can obviously be tied to favorable crop conditions across the country, although most is directly attributed to current tension between the U.S and China on trade and tariffs. Hopefully, there will be some positive negotiations/settlements between the U.S. & China and when that happens, we anticipate soybean and corn prices will rebound.

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We continue to be very busy with monitoring field operations (i.e wrapping up soybean planting, fertilizer/herbicide application, seeding land in the Conservation Reserve Program (CRP), tending to drainage tile projects/repairs/research, acreage certifications with the Farm Service Agency (FSA)/acreage reporting to crop insurance, and working on updating financial projections, just to name a few tasks at this time of the year.



Figure 4 – This is a picture of new CRP acres being seeded to native grass and forbs.

GROWING-DEGREE DAYS

<u>LOCATION</u>	<u>MAY 1, 2018 TO DATE INDICATED</u>	<u>TOTAL GROWING DEGREE DAYS</u>	<u>DEPARTURE FROM NORMAL</u>
Lamberton	6-18-2018	833	+182
Worthington	N/A	N/A	N/A

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GRAIN MARKETS (June 20, 2018):

	<u>NEW VISION WINDOM</u>	<u>MAGNOLIA</u>	<u>POET ETHANOL BINGHAM LAKE</u>	<u>MINNESOTA SOYBEAN PROCESSORS BREWSTER</u>
Cash				
Corn	\$3.20	\$3.11	\$3.21	N/A
Soybeans	\$8.15	\$8.19	N/A	\$8.34
October				
Corn	\$3.26	\$3.22	\$3.35	N/A
Soybeans	\$8.31	\$8.25	N/A	\$8.45

RAINFALL (INCHES):

<u>COUNTY</u>	<u>CITY</u>	<u>MAY 15 - JUNE 15, 2018</u>	<u>MARCH 15 TO DATE- 2018</u>	<u>MARCH 15 TO DATE- 2017</u>
Cottonwood	Jeffers	5.31	9.41	9.16
Cottonwood	Windom	5.59	12.82	7.91
Jackson	Heron Lake	3.44	10.07	9.10
Jackson	Jackson	6.29	13.27	9.33
Martin	Trimont	5.91	12.38	9.22
Murray	Fulda	3.87	10.55	10.36
Murray	Slayton	2.89	8.04	10.77
Nobles	Round Lake	3.85	11.90	9.69
Nobles	Rushmore	4.46	11.78	9.79
Redwood	Redwood Falls	6.47	9.65	11.16
Rock	Magnolia	3.56	10.92	9.30

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